

Approved

THIS AGREEMENT IS MADE THE DAY OF 2013

BETWEEN PADDLE STEAMER KINGSWEAR CASTLE TRUST LIMITED OF CHATHAM HISTORIC DOCKYARD, CHATHAM, KENT, ME4 4TQ (the Trust)

AND THE PADDLE STEAMER PRESERVATION SOCIETY OF 17 STOCKFIELD CLOSE, HAZLEMERE, HIGH WYCOMBE, BUCKINGHAMSHIRE, HP15 7LA (the Society).

WHEREAS: -

Consequent to signing of the charter agreement relating to Paddle Steamer Kingswear Castle dated 15th November 2012 between The Trust and Dart Pleasure Craft Limited (the Charter Agreement), the Society has agreed to make a grant for the amount and subject to the terms and conditions set out below.

NOW IT IS HEREBY AGREED AS FOLLOWS: -

1. The initial amount of the grant shall be a sum of *[to be determined as at the date of signing of the agreement]* (the Grant Sum). The Grant Sum shall be held as prescribed in clause 3.
2. The Society may add additional amounts to the Grant Sum from time to time at its sole discretion.
3. The Trust will place the Grant Sum in two or more accounts such as it considers necessary to spread risk and secure appropriate returns. These accounts shall be separate from those in which the Trust keeps its other funds.
4. The Trust will at any time have the right to apply the Grant Sum towards – in whole or in part – meeting its obligations as set out in Clause 4.3 and in Schedule 2 of The Charter Agreement.
5. The Trust will give the Society timely information of any circumstances which make it appear likely that funds from the Grant Sum will be so required, and will report fully on any such expenditure.
6. If the Trust considers that funds from the Grant Sum should be used for any purpose other than those specified in Clause 4 of this agreement, it will only do so after obtaining the agreement of the Society.
7. The Trust will retain ownership of the Vessel and will not sell, let or in any other way hereafter encumber the Vessel or any interest therein – other than in accordance with the Charter Agreement - without prior written consent of the Society.

8. The Trust will use its best endeavours to maintain the Vessel as a passenger vessel complying with the provisions of the Merchant Shipping Act and all regulations and requirements (statutory or otherwise) from time to time applicable to vessels registered on the UK Ship Register or otherwise applicable to the ship, unless the Society has given its prior written consent.
9. The Trust shall ensure that insurance cover is maintained over the Vessel.
10. A variation to any of the terms of this Agreement will only be effective if agreed by the Trustees of each party. If agreed the variation will be evidenced by a document confirming the details of the variation signed on behalf of each party.
11. Disputes regarding this agreement shall be resolved by the Chairman of the Society and the Chairman of the Trust.
12. For the purposes of this Agreement, the Vessel shall mean Paddle Steamer Kingswear Castle registered on the UK Ship Register in the Port of Dartmouth, with the Official Number 148002
13. This Agreement shall be construed and the rights of the parties and all matters arising hereunder shall be determined in all respects according to the Law of England and Wales.
14. Should the Charter Agreement be ended, this agreement shall remain in force until replaced by agreement of the parties.

IN WITNESS WHEREOF THESE PRESENTS ARE EXECUTED AS FOLLOWS:

SIGNED by the above named Society at

.....on the

.....day of..... 2013

Signature..... Full Name

Address

.....Occupation.....

Signature..... Full Name

Address

.....Occupation.....

SIGNED by the above named Trust at

.....on the
.....day of..... 2013

Signature..... Full Name
Address
.....Occupation.....

Signature..... Full Name
Address
.....Occupation.....

Memorandum of Understanding between Paddle Steamer Kingswear Castle Trust Limited and Paddle Steamer Preservation Society regarding operation of the agreement dated

- a) The Trust will provide the Society with an annual report for year ending each 31st July # stating the total of the Grant Sum, changes since the last report and how the funds are invested.
Amended to 30 April (Council 14.3.15)
- b) If the Trust is required to use Grant funds under Clause 4 of the agreement, this fact should be reported at the next meeting of the Society's Council of Management.
- c) If the Trust is required to give information to the Society under Clause 5 of the agreement, it shall do so at the next meeting of the Council of Management.
- d) If the Trust wishes to use Grant funds under Clause 6 of the agreement, it shall report accordingly to the Council of Management in order to obtain the Society's agreement.
- e) If the Trust wishes to make a proposal to the Society under Clause 7 of the agreement, it shall report accordingly to the Council of Management in order to obtain the Society's written consent.
- f) If the Trust considers that it should be relieved of its obligation under Clause 8 of the agreement, it shall report accordingly to the Council of Management in order to obtain the Society's written consent.

- g) If Clause 11 of the agreement is invoked in order to resolve a dispute, either Chairman may decide that a joint working party of no more than two members from each side shall be appointed to provide advice. Neither Chairman may be a member of such working party.
- h) The Society and the Trust agree to the following changes which the Trust will use its best endeavours to complete by 30th June 2014 –
- The Trust to appoint two nominees of the Society as Directors of the Trust.
 - The Trust to amend its Articles of Association to provide for these nominations as of right.
 - The Trust to procure the transfer of the 55 nominee shares (as per Paddle Steam Navigation Ltd. [now PS Kingswear Castle Trust Ltd.] Nominee Shareholding Agreement of 9th July 1985) into the Society's direct ownership. On completion of this transfer, the aforementioned Agreement is terminated.

Signed

..... Chairman, The Paddle Steamer Preservation Society

..... Chairman, Paddle Steamer Kingswear Castle Trust Limited

..... 2013